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Moving Expenses

For use in preparing
1985 Returns

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Introduction

If you changed job locations last year or started a new job, you may be able to deduct your moving expenses. You may qualify for a deduction whether you are self-employed or an employee. The expenses must be connected with starting work at your new job location. You must meet the *Requirements*, explained later.

If you retire while living and working overseas, or if you are the survivor (spouse or dependent) of a person whose main job location at the time of death was outside the United States and you move to the United States, you may be able to deduct your moving expenses. See *Retirees or Survivors* under *Requirements*, later.

You may deduct your allowable moving expenses even if you do not itemize your deductions. You should use Form 3903, *Moving Expense Adjustment*, if your move is within or to the United States or its possessions. You should use Form 3903F, *Foreign Moving Expense Adjustment*, if your move is outside the United States or its possessions.

Subject to the *Dollar limits*, explained later, your moving expense deduction may include expenses of:

1) Traveling to your new home,
2) Moving household goods and personal items (including certain storage expenses),
3) Househunting trips before you move,
4) Living temporarily at your new location, and
5) Disposing of your former home and getting your new one.

Home. Your home means your principal home (residence). It may be a house, apartment, or condominium. It also may be a houseboat, housetrailer, or similar dwelling. Your ***former home*** means your home before you left for your new job location. Your ***new home*** means your home within the area of your new job location. Your home does not include other homes owned or kept up by you or members of your family. It also does not include a seasonal home, such as a summer beach cottage.

Requirements

You may deduct a limited amount of your moving expenses if you meet the distance test and time test, discussed later. Your move must also be closely related, both in time and place, to the start of work at your new job location.

Closely related to the start of work. In general, moving expenses incurred within one year from the date you first reported to work are considered closely related in time to the start of work at the new location. It is not necessary that you make arrangements to work before moving to a new location, as long as you actually do go to work. If you do not move within one year, you ordinarily may not deduct the expenses unless you can show that circumstances existed that prevented the move within that time. For example, if to allow your child to complete high school in the same school, your family moved more than a year after you started work at the new location, you may deduct your otherwise allowable moving expenses.

A move is generally not closely related in place to the start of work if the distance from your new home to the new job location is greater than the distance from your former home to the new job location. However, a move may be considered closely related in place to the start of work if you can show that:

1) You are required to live at your new home as a condition of employment, or
2) You will spend less time or money commuting from your new home to your new job.

Distance Test

Your move will meet the distance test if your new main job location is at least 35 miles farther from your former home than your old main job location was. For example, if your old job was 3 miles from your former home, your new job must be at least 38 miles from that home.

The distance between two points is the shortest of the more commonly traveled routes between those points. The distance test does not apply to the location of your new home.

Example. You moved to a new home less than 35 miles from your former home because you changed job locations. Your old job was 3 miles from your former home. Your new job is 40 miles from that home. Because your new job is 37 miles farther from your former home than the distance from your former home to your old job, you meet the 35–mile distance test.

First job or return to full-time work. If you go to work full time for the first time, or go back to full-time work after a substantial period of part time work or of unemployment, your place of work must be at least 35 miles from your former home to meet the distance test.

Exception. If you are in the armed forces and you moved because of a permanent change of station, you do not have to meet the distance test. See *Members of the Armed Forces*, later.

Main job location. Your main job location is usually the place where you spend most of your working time. A new job location is a new place where you will work permanently or indefinitely rather than temporarily. If there is no one place where you spend most of your working time, your main job location is the place where your work is centered—for example, where you report for work or are otherwise required to "base" your work.

If you work for a number of employers on a short-term basis and you get work under a union hall system, such as a construction or building trades worker, your main job location is the union hall.

More than one employer. If you have more than one employer at any time, your main job location depends on the facts in each case. The more important factors to be considered are the total time you spent at each place, the amount of work you did at each place, and the money you earned from each place.

Time Test

To deduct your moving expenses, you also must meet one of the following time tests.

Time test for employees. If you are an employee, you must work full time for at least 39 weeks during the first 12 months after you arrive in the general area of your new job location. You do not have to work for one employer for the 39 weeks. However, you must work full time within the same general commuting area. You do not have to work 39 weeks in a row. Whether you are employed full time depends on the custom for your type of work.

Temporary absence from work. You are considered to be working full time during any week you are temporarily absent from work because of illness, strikes, layoffs, natural disasters, or similar causes. You are also considered to be a full-time employee during any week you are absent from work for leave or vacation that is provided for in your work contract or agreement.

Seasonal work. If your work is seasonal, you are considered to be working full time during the off-season if your work contract or agreement covers an off-season of less than 6 months. For example, a school teacher on a 12-month contract who teaches on a full-time basis for more than 6 months is considered a full-time employee for 12 months.

Time test for self-employed persons. If you are self-employed, you must work full time for at least 39 weeks during the first 12 months and for a total of at least 78 weeks during the first 24 months after you arrive in the area of your new job location.

You are self-employed if you work as the sole owner of an unincorporated business or as a partner in a partnership carrying on a business. You are not considered to be self-employed if you are semiretired, a part-time student, or work only a few hours each week.

Whether you perform services full time during any week depends on the custom for your type of work in your area. For example, if you are a self-employed dentist and maintain office hours 4 days a week, you are considered to perform services full time if it is not unusual for other self-employed dentists in the area to maintain office hours 4 days a week.

Temporary absence from work. You are considered to be self-employed on a full-time basis during any week you are temporarily absent from work because of illness, strikes, layoffs, natural disasters, or similar causes.

Seasonal trade or business. If your trade or business is seasonal, the weeks in the off-season when no work is required or available may be counted as weeks of full-time employment if the off-season is less than 6 months and you work full time ***before*** and ***after*** the off-season.

For example, if you own and operate a motel at a beach resort, you are considered self-employed on a full-time basis during the weeks of the off-season if the motel is closed for less than 6 months and you work as a full-time operator of the motel before and after the off-season closing.

If you are an employee and become self-employed before satisfying the 39-week test for employees, you meet the time test if you satisfy the 78-week test for self-employed persons.

If you are self-employed and become an employee before satisfying the 78-week test, you may use the time spent as a full-time employee to satisfy the 78-week test if you cannot satisfy the 39-week test for employees.

Joint return. If you are married and file a joint return and both you and your spouse work full time, either of you may satisfy the full-time work test. However you may not add the weeks your spouse worked to those you worked to satisfy that test.

Time test not met. You may deduct your moving expenses even if you have not met the time test by the date your 1985 return is due.You may do this if you expect to meet the 39-week test by the end of 1986 or the 78-week test by the end of 1987. If you do not meet the time test by then, you either must amend your 1985 return or report your moving expense deduction as other income on your Form 1040 for the year you cannot meet the test. Use Form 1040X, *Amended U.S. Individual Income Tax Return,* to amend your return.

If you do not deduct your moving expenses on your 1985 return, and you later meet the time test, you may file an amended return for 1985, taking the deduction.

Example. You arrive in the general area of your new job on September 15, 1985. You deduct your moving expenses on your 1985 return, the year of the move, even though you have not met the time test by the date your return is due. If you do not meet the 39-week test by September 15, 1986, you either must report as income on your 1986 return the amount you had deducted as moving expenses on your 1985 return or amend your 1985 return.

Note: If your moving expenses become nondeductible because you did not meet the time test, you may use the part of these expenses that is for the sale or exchange of your former home to lower the gain on the sale of your former home. The part of these expenses that is for the purchase of your new home may be added to the basis of your new home. See Publication 523, *Tax Information on Selling Your Home.*

Exceptions to the time test. You do not have to meet the time test if one of the following applies:

1) You are in the armed forces and you moved because of a permanent change of station—see *Members of the Armed Forces,* later,
2) You moved to the United States because you retired—see *Retirees or Survivors,* later,
3) You are the survivor of a person whose main job location at the time of death was outside the United States—see *Retirees or Survivors,* later,
4) Your job at the new location ends because of disability, or
5) You are transferred for your employer's benefit or laid off other than for willful misconduct. If you are transferred from your new job location or laid off other than for willful misconduct, you must have expected to meet the test at the time you started the job.

The time test also does not have to be met in case of death.

Members of the Armed Forces

If you are a member of the armed forces on active duty and you move because of a permanent change of station, you may deduct a limited amount of your unreimbursed moving expenses. You do not have to meet the ***distance and time tests,*** discussed earlier.

A permanent change of station includes:

1) A move from your home to the area of your first post of duty when you begin active duty,
2) A move from your last post of duty to your home or a nearer point in the United States, if you move within one year of ending your active duty or within the period allowed under the Joint Travel Regulations, or
3) A move from one permanent post of duty to another.

If a member of the armed forces deserts, is imprisoned, or dies, a permanent change of station for the spouse or dependent includes a move to the place of enlistment or to the member's, spouse's, or dependent's home of record or nearer point in the United States.

If the military moves you and your spouse and dependents to or from separate locations, the moves are treated as a single move to your new main job location.

Services or reimbursements provided by government. Do not include in income the value of moving and storage services provided by the government in connection with a permanent change of station. If you receive reimbursements or allowances from the government for moving and storage expenses in connection with a permanent change of station and the reimbursements or allowances are more than your actual moving expenses, include the excess in income. If your reimbursements or allowances are less than your actual moving expenses, do not include the reimbursements or allowances in income.

If you are required to relocate and your spouse and dependents move to a different location, do not include in income reimbursements, allowances, or the value of moving and storage services provided by the government to move you and your spouse and dependents to and from the separate locations.

Do not deduct any expenses for moving services that were provided by the government or that were reimbursed to you and that you did not include in income.

Retirees or Survivors

If you meet the following requirements, you may be able to deduct a limited amount of your expenses to move to the United States. For this purpose, the term "United States" includes the possessions of the United States. You do not have to meet the ***time test,*** discussed earlier.

Retirees. You may deduct moving expenses for a move to a new home in the United States when you permanently retire, if both your former main job location and your former home were outside the United States.

You are considered permanently retired when you cease gainful full-time employment or self employment. If at the time you retire you intend your retirement to be permanent, you will be considered retired even though you later return to work. Your intention to retire permanently will be determined by your age and health, the customary retirement age for people who do similar work, whether you are receiving retirement payments from a pension or retirement fund, and the length of time before your return to full-time work.

Survivors. You may deduct moving expenses for a move to a home in the United States if you are the spouse or the dependent of a person whose main job location at the time of death was outside the United States. The move must begin within 6 months after the decedent's death and must be from a former home outside the United States that you lived in with the decedent at the time of death.

A move begins when:

1) You contract for your household goods and personal effects to be moved to your home in the United States. The move must be completed within a reasonable time,
2) Your household goods and personal effects are packed and on the way to your home in the United States, or
3) You leave your former home to travel to your new home in the United States.

Deductible Moving Expenses

If you meet the *Requirements* discussed earlier, you may deduct the reasonable expenses of moving your personal effects, traveling to your new home, looking for a new home, living temporarily in the new area, and selling and buying a home. You may also deduct the cost of settling and signing a lease and certain storage expenses.

Reasonable expenses. You may deduct only those expenses that are reasonable for the circumstances of your move. For example, the cost of traveling from your former home to your new one should be by the shortest, most direct route available by conventional transportation. If, during your trip to your new home, you make side trips for sightseeing, the additional expense for your side trips is not deductible as a moving expense.

Travel by car. If you use your car for house-hunting or to take yourself, members of your household, or your things to your new home, you may figure your expenses by either deducting:

1) Your actual expenses, such as gas and oil for your car, if you keep an accurate record of each expense, or
2) 9 cents a mile instead of the actual expenses if you can prove the mileage traveled.

You also may deduct parking fees and tolls you paid in moving. You may not deduct any part of general repairs, general maintenance, insurance, or depreciation.

Member of your household. You may deduct moving expenses you pay for yourself and members of your household. A member of your household is anyone who has both your former and new home as his or her home. It does not include a tenant or employee, unless you may claim that person as a dependent.

Moves Within or to the United States

You may deduct expenses for a move to the area of a new main job location within the United States or its possessions. Your move may be from one U.S. location to another or from a foreign country to the United States.

Form 3903. Use Form 3903, *Moving Expense Adjustment,* to deduct your moving expenses if you moved within or to the United States. A filled-in Form 3903 is shown later.

A discussion of deductible moving expenses follows.

Household goods and personal effects. You may deduct the cost of packing, crating, and transporting your household goods and personal effects and those of the members of your household (defined earlier) from your former home to your new one. If you use your own car to move your things, see *Travel by car,* earlier. You may also include the cost of storing and insuring household goods and personal effects within any consecutive 30-day period after the day your things are moved from your former home and before they are delivered to your new one.

You may deduct the cost of shipping your car and your household pets to your new home.

You may deduct the cost of moving your household goods and personal effects from a place other than your former home only up to the amount it would have cost to move them from your former home.

Example. Paul Brown is a resident of North Carolina and has been in college there pursuing a degree for the last 4 years. Because of the small size of his apartment, he stored some of his furniture in Georgia with his parents. Paul got a job in Washington, DC. It cost him $300 to move his furniture from North Carolina to Washington and $1,100 to move his furniture from Georgia to Washington. If the furniture in Georgia had been shipped from North Carolina, his former home, it would have cost $600. He may deduct $900 ($300 + $600).

You may not deduct the cost of moving furniture you buy on the way to your new home.

Travel expenses. You may deduct the cost of transportation, meals, and lodging for yourself and members of your household (defined earlier) while traveling from your former home to your new home. This includes expenses for the day you arrive. You may also include any meal and lodging expenses you had in the area of your former home within one day after you could not live in your former home because your furniture had been moved. You may deduct expenses for only one trip to your new home for yourself and members of your household. However, all of you do not have to travel together. If you use your own car, see *Travel by car,* earlier.

Pre-move househunting expenses. Househunting expenses include the cost of transportation, meals, and lodging for yourself and members of your household (defined earlier) while traveling to and from the area of your new job and while you are there. You may deduct these expenses only if you begin your trip after you get a job in the new area and you go primarily to look for a new place to live. Your househunting does not have to be successful to qualify for this deduction. You and members of your household may travel separately. There is no limit to the number of trips you or members of your household may take. However, see *Dollar limits,* later. If you use your own car, see *Travel by car,* earlier.

If you are ***self-employed,*** see *Self-employed* under *Temporary living expenses,* following.

Temporary living expenses. Temporary living expenses include only the costs of meals and lodging while occupying temporary quarters in the area of your new job. You may deduct these costs, subject to the *Dollar limits,* discussed later, for any 30 days in a row after you get the job, but before you move into permanent quarters

Self-employed. If you are self-employed, to deduct expenses for pre-move househunting trips and temporary living expenses, you are considered to have obtained work at your new main job location when you have made substantial arrangements to begin work at the new location.

Factors to consider in determining whether you have made substantial arrangements to begin work at the new location depend on the nature of your work or business and include whether you have:

1) Leased or bought a plant, shop, store, equipment, or other property to be used in your trade or business,
2) Made arrangements to buy inventory or supplies,
3) Hired employees, and
4) Made arrangements to contact customers and advertise.

Example. You are a partner in a chain of drugstores in Houston, Texas, and decide to move to Dallas to open a drugstore there. You make several trips to Dallas to look at sites for the new store. After signing the lease on a building in a shopping center, you buy equipment and hire employees. Shortly before opening the store, you and your spouse take temporary housing in a motel until your apartment is available. By the time you and your spouse take temporary housing in the motel, you are considered to have made substantial arrangements to begin work at your new main job location. You may deduct the cost of temporary housing as a temporary living expense.

Home sale or exchange expenses. When you sell or exchange your former home, you may deduct:

- Real estate commissions,
- Attorney's fees,
- Title fees,
- Escrow fees,
- Points or loan placement charges you are required to pay,
- State transfer taxes, and
- Similar expenses connected with the sale or exchange of your former home.

You may treat these sale-related expenses as moving expenses or you may use them to reduce the amount of gain you realized from the sale of your former home.

You may ***not*** deduct as a moving expense the cost of physical improvements intended to improve the condition or appearance of your former home.

Home purchase expenses. When you buy your new home, you may deduct:

- Attorney's fees,
- Escrow fees,
- Appraisal fees,
- Title fees,
- Points or loan placement charges ***not*** representing payment or prepayment of interest, and
- Similar expenses connected with the purchase of your new home.

You may treat these purchase-related expenses as moving expenses or you may add them to the basis of your new home, which will reduce the amount of gain you realize when you sell it. However, points cannot be added to the basis of your new home.

If you are a homeowner, it is usually better to deduct as moving expenses the expenses of selling your former home and buying your new home rather than using the sale-related expenses to reduce the gain you realized from the sale of your former home and your purchase-related expenses to increase the basis of your new home. You may use the sale-related expenses ***that you do not claim as moving expenses*** to reduce the gain that you realized on the sale of your former home. You may use the purchase-related expenses (except points) ***that you do not claim as moving expenses*** to increase the basis of your new home.

No double benefit. The expenses of selling or exchanging your former home that you include as part of your moving expense deduction may not be used to reduce the amount realized on the sale of your former home. The expenses of buying your new home that are included in your moving expense deduction may not be added to the basis of your new home. See Publication 523, *Tax Information on Selling Your Home.*

Unexpired lease expenses. When you end an unexpired lease on your former home, you may deduct:

- Payments to the lessor for releasing you from the lease,
- Attorney's fees,
- Real estate commissions, and
- Expenses, such as the difference between the rent you pay and the rent you receive from an assignee or sublessee.

Expenses of leasing a new home. When you lease a new home, you may deduct:

- Attorney's fees, and
- Commissions.

These expenses may be for leasing, subleasing, or taking an assignment of a lease. You may ***not*** deduct payments or prepayments of rent. See *Security deposit* under *Nondeductible Expenses,* later.

Dollar limits. The expenses of moving household goods and traveling to your new home are not limited to any amount. However, the combined total of all your other moving expenses may not be more than $3,000. Of the $3,000 limit, no more than $1,500 may be deducted for househunting trip expenses and temporary living expenses combined. Exceptions are explained later under *Married persons filing separate returns* and *Married persons filing a joint return.* See the *Moving Expense Dollar Limits* chart, later.

Homeowners. If you are a homeowner, you should claim pre-move househunting expenses and temporary living expenses, up to $1,500, before you claim the expenses of selling and buying your home. However, within the dollar

limits, you may choose to deduct any combination of these expenses. Any expenses for selling your home that you may not deduct because of the $3,000 limit should be used to reduce the gain on the sale of your former home. Use any expenses for buying your home that you may not deduct because of the limit to increase the basis of your new home.

Married persons filing separate returns. If both of you began work at new job locations and lived together, the dollar limit is $1,500 for each of you for househunting trips, temporary living expenses, and expenses of selling and buying a home.

No more than $750 for each of you may be deducted for househunting and temporary living expenses.

If only one of you began work at a new job location, the limit for that person is $3,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home. No more than $1,500 may be deducted for househunting and temporary living expenses.

If both of you began work at new job locations, but you have not shared the same new home by the end of the tax year or made plans to do so, the limit for each of you is $3,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home. No more than $1,500 for each of you may be deducted for househunting and temporary living expenses.

Example. Tim and Mary Brown are married, but separated. Tim moved from New York to Michigan. His moving expenses were $3,600 for househunting trips, temporary living expenses, and selling his home. Mary moved from New York to Washington, DC. Her moving expenses were $3,200 for househunting trips, temporary living expenses, and selling her home. Neither had more than $1,500 in expenses for househunting trips and temporary living expenses. Each may claim $3,000 on a separate return.

Married persons filing a joint return. If both of you began work at new job locations, but at the end of the tax year have not shared the same new home or made plans to do so, the limit is $6,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home. No more than $3,000 may be deducted for househunting and temporary living expenses. However, of the $6,000 and $3,000 limits, each of you is limited to $3,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home, and to $1,500 for househunting and temporary living expenses.

If you shared the same new home, the limit for both of you together is $3,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home, of which no more than $1,500 may be deducted for househunting and temporary living expenses.

Moves Outside the United States

To deduct expenses for a move outside the United States, you must be a U.S. citizen or resident alien who moves to the area of a new place of work outside the United States or its possessions. You must meet the *Requirements*, discussed earlier.

Form 3903F. Use Form 3903F, *Foreign Moving Expense Adjustment*, if you moved outside the United States or its possessions. A filled-in Form 3903F is shown later.

For an explanation of expenses that you may deduct, see the discussion *Moves Within or to the United States*, earlier. The following discussion gives additional information on expenses that you may deduct on Form 3903F.

Storage expenses. You may deduct the reasonable expenses of moving your personal effects to and from storage, and storing them for all or part of the time the new job location outside the United States remains your main job location.

Move in an earlier year. If you moved in an earlier year and are deducting only storage fees while you are gone from the United States, do not use Form 3903F. Enter the total on line 24, Form 1040, and write "Storage Fees" to the left of the entry space.

Temporary living expenses. You may deduct temporary living expenses for 90 days in the area of your new job location instead of 30 days.

Dollar limits. The expenses of moving household goods and traveling to your new home are not limited to any amount. However, the combined total of all your other moving expenses may not be more than $6,000. Of the $6,000 limit, no more than $4,500 may be deducted for househunting trip expenses and temporary living expenses combined. Exceptions are explained later under *Married persons filing separate returns* and *Married persons filing a joint return*. See the *Moving Expense Dollar Limits* chart, later.

Homeowners. If you are a homeowner, you should claim pre-move househunting expenses and temporary living expenses, up to $4,500, before you claim the expenses of selling and buying your home. However, within the dollar limits, you may choose to deduct any combination of these expenses. Any expenses for selling your home that you may not deduct because of the $6,000 limit should be used to reduce the gain on the sale of your former home. Use any expenses for buying your home that you may not deduct because of the limit to increase the basis of your new home.

Married persons filing separate returns. If both of you began work at new job locations outside the United States and lived together, the limit is $3,000 for each of you for househunting trips, temporary living expenses, and expenses of selling and buying a home.

No more than $2,250 for each may be deducted for househunting and temporary living expenses.

If only one of you began work at a new job location, the limit for that person is $6,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home. No more than $4,500 may be deducted for househunting trips and temporary living expenses.

If both of you began work at new job locations outside the United States, but you have not shared the same new home as of the end of the tax year or made plans to do so, the limit for each of you is $6,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home. No more than $4,500 for each of you may be deducted for househunting trips and temporary living expenses.

If one of you began work at a new job location outside the United States and the other at a new job location within the United States, the one who works in the United States is subject to the $3,000 and $1,500 limits and should use Form 3903.

Married persons filing a joint return. If both of you began work at new job locations outside the United States, but you have not shared the same new home as of the end of the tax year or made plans to do so, the limit is $12,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home. No more than $9,000 may be deducted for househunting and temporary living expenses. However, of the $12,000 and $9,000 limits, each of you is limited to $6,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home and to $4,500 for househunting trips and temporary living expenses.

If you shared the same new home, the limit for both of you together is $6,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home. No more than $4,500 may be deducted for househunting trips and temporary living expenses.

If one of you began work at a new job location outside the United States and the other at a new job location within the United States, the one who works in the United States is subject to the $3,000 and $1,500 limits. You should file both a Form 3903 and a Form 3903F with your return. Your total deduction is limited to $9,000 for househunting trips, temporary living expenses, and expenses of selling and buying a home—$3,000 on Form 3903 and $6,000 on Form 3903F. The total deduction for househunting trips and temporary living expenses is limited to $6,000—$1,500 on Form 3903 and $4,500 on Form 3903F.

Note: If you live and work outside the United States, you may be able to exclude from income part of the income you earn in the foreign country including a reimbursement you receive from your employer for a move to the foreign country. In addition, you may be able to either exclude or deduct part of your foreign living expenses. However, if you exclude any of your foreign earned income or foreign living expenses, you may not deduct the portion of your moving expenses that is allocable to the excluded income.

Publication 54, *Tax Guide for U.S. Citizens and Resident Aliens Abroad*, discusses the foreign earned income exclusion, the foreign housing exclusion, and the foreign housing deduction. It also explains how to figure the portion of your moving expenses allocable to the excluded income. You can get the publication from most U.S. Embassies and consulates, or by writing to the Richmond Distribution Center, P.O. Box 25866, Richmond, VA 23260.

Nondeductible Expenses

You may not deduct the following as moving expenses:

- Home improvements to help sell your home
- Loss on the sale of your home
- Mortgage penalties
- Losses from disposing of memberships in clubs
- Any part of the purchase price of your new home
- Real estate taxes
- Car tags
- Driver's license
- Refitting carpets and draperies

Security deposit. Do not deduct a security deposit you paid when you signed a new lease. Do not deduct a security deposit that you gave up because the vacated space needed cleaning or redecorating when you ended the lease. However, you may deduct a security deposit that you gave up if you broke the lease as a result of the move.

Temporary employment. You may not take a moving expense deduction and a business ex-

Moving Expense Dollar Limits

Type of Expense	Marital Status	Dollar Limits	
		Form 3903	Form 3903F
Household goods and personal effects (line 1, Form 3903 or 3903F)	Not applicable	No limit	No limit
Travel expenses (line 2, Form 3903 or 3903F)	Not applicable	No limit	No limit
Househunting and temporary living expenses (lines 3 and 4, Form 3903 or 3903F)	Single	$1,500	$4,500
	Married filing jointly—		
	1) Spouses shared same new home at end of tax year	$1,500	$4,500
	2) Both spouses began work at new job locations but lived apart at end of tax year	$3,000 (limited to $1,500 each)	$9,000 (limited to $4,500 each)
	Married filing separately—		
	1) Both spouses began work at new job locations and lived together at end of tax year	$750 each	$2,250 each
	2) One working spouse	$1,500	$4,500
	3) Both spouses began work at new job locations but lived apart at end of tax year	$1,500 each	$4,500 each
Househunting and temporary living expenses; and expenses of selling and buying home (lines 3, 4, 7, and 8, Form 3903 or 3903F)	Single	$3,000	$6,000
	Married filing jointly—		
	1) Spouses shared same new home at end of tax year	$3,000	$6,000
	2) Both spouses began work at new job locations but lived apart at end of tax year	$6,000 (limited to $3,000 each)	$12,000 (limited to $6,000 each)
	Married filing separately—		
	1) Both spouses began work at new job locations and lived together at end of tax year	$1,500 each	$3,000 each
	2) One working spouse	$3,000	$6,000
	3) Both spouses began work at new job locations but lived apart at end of tax year	$3,000 each	$6,000 each

READEX

pense deduction for the same expenses. You must determine if your expenses are deductible as moving expenses or as business expenses. For example, expenses you have for travel, meals, and lodging while temporarily working at a new work place away from your regular place of work are deductible as business expenses if you are considered away from home on business. Your work is considered temporary if its end can be foreseen within a reasonably short time and your main job location or post of duty does not change. See Publication 463, *Travel, Entertainment, and Gift Expenses,* for information on deducting your expenses.

Tax Withholding and Estimated Tax

Your employer is not required to withhold income tax or social security tax on allowances or reimbursements for moving expenses if your employer reasonably believes that you will be able to deduct the expenses. This means that at the time your employer pays you the reimbursement or allowance, your employer reasonably believes that you will meet the distance and time tests, and that your expenses will be deductible.

Amounts subject to withholding. If you are reimbursed for nondeductible moving expenses or do not meet the distance test or probably will not meet the time test, the reimbursement or allowance you receive is subject to withholding of income tax and social security tax.

Reimbursement for deductible and nondeductible expenses. If your employer reimburses you for both deductible and nondeductible moving expenses with no specific allocation to either, your employer must apply the reimbursement or allowance first to the deductible moving expenses that are not subject to withholding. Any remainder is treated as reimbursement or allowance for nondeductible moving expenses and is subject to withholding of income tax and social security tax.

Form 4782. Your employer must give you an itemized list of reimbursements, payments, or allowances paid to you for moving expenses. Form 4782, *Employee Moving Expense Information,* shown later, may be used for this purpose. This form shows the amount of any reimbursement, payment, or allowance made to you or to a third party for your benefit and the value of any services provided in kind to you. Your employer must provide a separate form or statement for each move for which reimbursement or payment is made.

Your employer must include the amounts shown on Form 4782 in box 10, *Wages, tips, other compensation,* on your Form W–2, *Wage and Tax Statement.* A separate Form W–2 may be provided.

Reimbursements or allowances paid with regular wages. If the reimbursements or allowances are subject to withholding and they are paid in the same payment with regular wages, the income tax to be withheld must be figured as if the total of the reimbursements or allowances and regular wages were a single wage payment for the regular payroll period.

Reimbursement or allowances paid separately. If the reimbursements or allowances are paid separately from regular wages, the method of withholding income tax depends in part on whether income tax has been withheld from your regular wages.

Income tax not withheld from regular wages. If your employer has not withheld income tax from your regular wages (for example, when your withholding exemptions are more than your wages), your employer must add the reimbursements or allowances to the regular wages paid for the current or last preceding payroll period within the same calendar year. Your employer will withhold income tax as though the reimbursements or allowances and regular wages were one payment.

Income tax withheld from regular wages. If your employer has withheld income tax from your regular wages, your employer may choose either of two methods for withholding income tax on the reimbursements or allowances:

1) Withhold at a flat percentage rate of 20% without allowing for any withholding exemptions you claimed on your Form W–4, or
2) Add the reimbursements or allowances to the regular wages paid you for the current or last preceding payroll period within the same calendar year. Figure the income tax to be withheld as if the total amount were a single payment. From the income tax to be withheld, subtract the tax already withheld from the regular wage payment, and withhold the remaining tax from the reimbursements or allowances.

Withholding allowance for moving expenses. If your employer withholds income tax from the reimbursements and allowances paid to you for your moving expenses, you may want to claim additional withholding allowances. By doing so, you can avoid having too much tax withheld. Figure your estimated moving expense deduction on Form 3903 or Form 3903F, whichever applies. The part of the deduction on line 11 of Forms 3903 or 3903F that corresponds to the amount that your employer pays for you or reimburses you, and from which your employer withholds income tax, is used to figure your additional withholding allowances. Enter it on line D–1 of page 2, Form W–4, *Employee's Withholding Allowance Certificate.* See Form W–4 and Publication 505, *Tax Withholding and Estimated Tax.*

Limit on social security tax to be withheld. Social security tax is withheld from reimbursements and allowances for nondeductible moving expenses (or if you have not met the distance test or probably will not meet the time test) until these reimbursements or allowances plus your regular wages reach a combined maximum of $39,600 for 1985.

Estimated tax. If you must make estimated tax payments, you may consider deductible moving expenses in figuring your estimated tax. You need not have met the 39–week or 78–week time test at the time of the estimate if you are reasonably sure you will later meet it. However, see *Time test not met,* earlier. For details about estimated tax, see Publication 505.

How to Report

The following discussions explain how to report your moving expenses and any reimbursements or allowances you received for your move.

Form 3903. Use Form 3903, *Moving Expense Adjustment,* to report your moving expense if your move was within or to the United States or its possessions.

Form 3903F. Use Form 3903F, *Foreign Moving Expense Adjustment,* if your move was outside the United States or its possessions.

Where to deduct. You do not have to itemize your deductions to claim your moving expenses. You deduct your moving expenses from gross income to find your adjusted gross income. The amount of moving expenses you may deduct is shown on line 11, Form 3903 or Form 3903F. Enter this amount on line 24, Form 1040.

Reimbursements. You must include all reimbursements of, or payments for, moving expenses in gross income for the year you receive them. If your employer paid for any part of your move, you must report that amount as income on line 7, Form 1040. Your employer must include the amount paid in box 10, *Wages, tips, other compensation,* on your Form W–2, *Wage and Tax Statement.* A separate Form W–2 may be provided.

Example 1. To get you to work in another city, your new employer reimburses you for the $7,500 loss on the sale of your home. You must include the $7,500 as income on line 7, Form 1040.

Example 2. You lived in Boston and accepted a job in Atlanta. You sold your home at a loss and bought a new one in Atlanta. Your employer reimbursed you for the loss on the sale of your former home, your actual traveling expenses from Boston to Atlanta, and the cost of moving your furniture to Atlanta. Your employer included these amounts in your Form W–2. You must include the total reimbursement as income on line 7, Form 1040, even though some of the expenses are deductible as moving expenses and others, such as the loss on your home, are not.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Do not include in income any moving expense payment you received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. These payments are made to persons displaced from their homes, businesses, or farms by federal projects.

Reimbursements in later years. Include reimbursements received in later years for your moving expenses in your income in the year received.

Example. You moved in December 1984 and had deductible moving expenses that you deducted on your 1984 income tax return. Your employer reimbursed you for the moving expenses in January 1985. Include the reimbursement in your income for 1985.

You may choose to deduct moving expenses in the year you are reimbursed by your employer. See *When to deduct.*

Allowance in kind. You must include in your income the value of moving services provided by your employer to you or members of your family. You include this amount in income in the year you receive the services. If your employer paid someone to provide the services, you must include the amount paid in your income in the year your employer made the payment. Your employer must also include any allowance in kind in the total income on your Form W–2.

When to deduct. Deduct your moving expenses in the year you had them or paid them. If you use the cash method of accounting, which is used by most individuals who are not self–employed, you may choose to deduct moving expenses in the year you are reimbursed by your employer if:

1) You paid the expenses in a year before the year of reimbursement, or
2) You paid the expenses in the year immediately after the year of reimbursement but by the due date, including extensions, for filing your return for the reimbursement year.

You may choose to deduct moving expenses in the year that you received reimbursement by taking the deduction on your return, or amended return, for that year.

The following examples explain these rules:

Example 1. In December 1984, your employer transferred you to another city in the United States, where you still work. You were not reimbursed for your moving expenses. In 1984 you

aid for a househunting trip, travel to the new ity, temporary living expenses, and moving our furniture. You deducted these expenses in 984. In 1985 you paid additional temporary liv- ng expenses and certain deductible expenses f selling your home and buying a new one. ou deduct these expenses in 1985.

However, some of your moving expenses are ubject to the *Dollar limits*, discussed earlier. he dollar limits apply to the total of these mov- ng expenses, not separately to the expenses ou deducted each year. Show on your 1985 orm 3903 the amounts you deducted on your 984 Form 3903 that were subject to the limits. you deducted $1,000 in 1984 for househunt- g and temporary living expenses, you may de- uct up to $500 for these expenses in 1985. In 985 your temporary living expenses were 800, the expenses of selling your home were 3,500, and the expenses of buying your new ome were $500. Your 1985 deduction for ese expenses is limited to $2,000. Your 1985 orm 3903 should show:

ne 3) Househunting expenses		$-0-	
ne 4) Temporary living expenses		800	
ne 5) Total of lines 3 and 4		$800	
ne 6) The lesser of line 5 or $1,500 minus $1,000 deducted in 1984			$ 500
ne 7) Expenses of selling home			3,500
ne 8) Expenses of buying home			500
ne 9) Total of lines 6, 7, and 8			$4,500
ne 10) The lesser of line 9 or $3,000 minus $1,000 deducted in 1984			$2,000

bove line 6, Form 3903, write "$1,000 de- cted in 1984." Above line 10, Form 3903, rite "$1,000 deducted in 1984."

Example 2. In December 1984, your employer ansferred you to another city in the United ates, where you still work. You paid for all of ur moving expenses in 1984. Your employer imbursed you in 1985 for your moving ex- nses. This reimbursement is included in your 85 Form W–2. You may deduct all of your al- wable moving expenses in 1984, the year you id them, or you may deduct them in 1985, the ar of reimbursement. In either case, your total duction is the same.

Example 3. In December 1985, your employer nsferred you to another city in the United ates, where you still work. You started your ve in 1985 and finished it in 1986. Your em- yer paid you a flat amount in December 85 to move. This amount was included in ur 1985 Form W–2. You paid your 1986 ex- nses by the due date for filing your 1985 re- n. You may deduct your 1985 moving penses on your return for 1985 and your 86 moving expenses on your return for 1986, shown in Example 1. Or, you may deduct all ur allowable moving expenses on your return 1985. In either case, your total deduction is same.

xample—Moving Within the United States

Tom Smith is married and has two children. owned his home in Detroit where he rked. His employer told him on February 6, 5, that he would be transferred to San Di- as of April 8, 1985. His wife, Peggy, flew to Diego on March 1 to look for a new home. put down $25,000 on a house being built came back to Detroit on March 4. The iths sold their Detroit home for $1,500 less n they paid for it and contracted to have r personal effects moved to San Diego on April 2. The family drove to San Diego where they found that their new home was not finished. They stayed in a nearby motel until the house was ready May 2. Tom went to work in the San Diego plant on April 8 where he still works.

His records for the move show:

1) Peggy's pre–move househunting trip (includes travel, meals, and lodging)		$ 495
2) Down payment on San Diego home		25,000
3) Real estate commission paid on sale of Detroit home		3,500
4) Loss on sale of Detroit home (not including real estate commission)		1,500
5) Amount paid for moving personal effects (furniture, other household goods, etc.)		8,000
6) Expenses of driving to San Diego:		
Mileage (Start 14,278; End 16,478) 2,200 miles at 9 cents a mile	$198	
Meals and lodging	565	763
7) Cost of temporary living expenses in San Diego:		
Motel rooms	$650	
Meals	730	1,380
Total		$40,638

Tom was reimbursed $15,638 by his employer for everything except the down payment on the San Diego house. The reimbursement was included on Tom's Form W–2, *Wage and Tax Statement*, and he must include it in his income on line 7, Form 1040.

Because of the dollar limits discussed earlier, Tom takes each item into account separately to figure his moving expense deduction:

Item 5, moving personal effects		$8,000
Item 6, driving to San Diego		763
Item 1, househunting trip	$ 495	
Item 7, temporary living expenses	1,380	
Total	$1,875	
Househunting and temporary living expenses may not be more than the amount spent or $1,500, whichever is less	$1,500	
Add Item 3, commission paid	3,500	
Total	$5,000	
Deduction for househunting, temporary living expenses, and expenses of selling home may not be more than the amount spent or $3,000, whichever is less		3,000
Total deductible moving expenses		$11,763

Tom uses Form 3903, *Moving Expense Adjustment*, to figure his deduction. His Form 3903 is shown at the end of this publication. He also enters his deduction, $11,763, on line 24, Form 1040.

Item 2, the down payment on the San Diego home, is not a moving expense. If any part of it were for payment of deductible taxes or interest on the mortgage on the house, that part would be deductible as an itemized deduction.

Item 3, the real estate commission paid on the sale of the Detroit home could have been used to figure the gain or loss on the sale. If Tom used it for that, it would not be deductible as a moving expense and could not be used here. Because it would only increase the $1,500 nondeductible loss on the sale of the house, Tom uses it as part of his deductible moving expenses.

If Tom had sold his home at a gain, he could reduce the amount of gain by the part of the sales commission that he could not deduct as a moving expense. This is $2,000, which is figured as follows:

Total sales commission		$3,500
Limit on househunting, temporary living expenses, and expenses of selling home	$3,000	
Minus: Limit on househunting and temporary living expenses	1,500	1,500
Amount of sales commission not deducted as a moving expense		$2,000

Item 4, the loss on the sale of the Detroit home, is not a moving expense. The Smiths may not deduct it even though Tom's employer reimbursed him for it.

Item 6, the expenses of driving to San Diego, are not Tom's actual expenses. Since he did not keep records of his actual expenses for gas and oil, Tom deducted the 9 cents a mile that is allowed. He recorded the mileage shown on his car at the beginning and end of the trip to prove the actual mileage to San Diego.

Tom's employer withheld income tax and social security tax on $3,875, the difference between the $15,638 reimbursement and Tom's deductible moving expenses of $11,763. His employer included the $15,638 in the *Wages, tips, other compensation* box on Tom's Form W–2. He could have given Tom a separate Form W–2 for the $15,638 reimbursement.

Tom's employer gave him Form 4782 for the amount of reimbursement. This form is shown at the end of this publication.

Example—Moving to a Foreign Country

Mark Green is married and has two children. He and his wife, Mary, owned their home in the Washington, DC, area where he worked. He was told by his employer on January 18, 1985, that he would be transferred to London, England, as of March 18, 1985. The Greens sold their Washington home for more than they paid for it. Mary and the children stayed in the home until the children finished the school year. Mark flew to London on March 17 and moved into a hotel. He stayed in the hotel through June 15. Mark went to work in the London office on March 18 where he still works. On May 5, Mark paid $3,000 as a security deposit on a furnished home in the London area that he could move into on June 16. Their personal effects were moved out of their home on June 14. Most of their things were put in storage in Washington; the rest were shipped to London. Mary and the children stayed in a nearby motel on June 14 and flew to London on June 15, where they stayed in a hotel that night. Mark and his family moved into their leased home on June 16.

His records for the move show:

1) Expenses paid on sale of Washington home	$ 7,850
2) Mark's traveling expenses to London: Travel $392; Meals and lodging (in London on March 17) $68	460
3) Security deposit on lease of London home	3,000
4) Mark's temporary living expenses in London from March 18 through June 15 (90 days): Hotel room $3,402; Meals $2,430	5,832
5) Amount paid in 1985 for moving and storing personal effects (furniture, other household goods, etc.): Moving $5,200; Storage $2,900	8,100
6) Family's traveling expenses to London: Travel $754; Meals and lodging $170	924
Total	$26,166

Mark was reimbursed $23,166 by his employer for everything except the security deposit on the London home. The reimbursement was on a Form W–2, *Wage and Tax Statement*, and Mark must include it in his income on line 7, Form 1040.

Because of the dollar limits discussed earlier, Mark takes each item into account separately to figure his moving expense deduction:

Item 5, moving and storing personal effects		$ 8,100
Items 2 and 6, expenses of travel to London ($460 plus $924)		1,384
Item 4, temporary living expenses	$ 5,832	
Househunting and temporary living expenses may not be more than the amount spent or $4,500, whichever is less (Note: there is no househunting expense)	$ 4,500	
Add item 1, expense of selling home	7,850	
Total	$12,350	
Deduction for temporary living expenses and expenses of selling home may not be more than the amount spent or $6,000, whichever is less		6,000
Total deductible moving expenses		$15,484

Mark uses Form 3903F, *Foreign Moving Expense Adjustment*, to figure his deduction. His Form 3903F is shown at the end of this publication. He also enters his deduction, $15,484, on line 24, Form 1040.

Item 1, expenses paid on the sale of the Washington home, could have been used to figure the gain or loss on the sale. If Mark used the expenses for that purpose, they would not be deductible as a moving expense and could not be used here. It was to his advantage to use $1,500 of his $7,850 selling expenses as a moving expense ($6,000 limit for temporary living expenses and sale-related expenses, minus $4,500 limit for temporary living expenses) because his selling expenses reduced the income on which he was taxed. Therefore, he may use the balance of $6,350 ($7,850 minus $1,500) to reduce the gain on the sale. The $7,850 is entered on line 7, Form 3903F. Mark's computation of these amounts follows:

Total selling expense		$7,850
Limit on househunting, temporary living expenses, and expenses of selling home	$6,000	
Minus: Limit on househunting and temporary living expenses	4,500	1,500
Amount used to reduce gain on sale of home		$6,350

Item 2, Mark's travel expenses to London include the cost of meals and lodging in London on March 17, the day he arrived. Items 2 and 6 are added together and entered on line 2, Form 3903F.

Item 3, the $3,000 security deposit on the lease of the London home, is not a moving expense. See *Security deposit* under *Nondeductible Expenses*, earlier.

Item 4, Mark's 90 days of temporary living expenses from March 18 through June 15 were $5,832. This amount is entered on line 4, Form 3903F. Because it is more than the $4,500 limit, only $4,500 is entered on line 6.

Item 5, moving and storage expenses for personal effects (furniture, other household goods, etc.) were $8,100. Of that amount, $2,900 was paid for storing his things in Washington in 1985. As long as Mark stays on his London job, he may deduct the amount he pays each year to store his things. If he does not have any other moving expense for the year, he enters the amount paid for storage on line 24 of his Form 1040 and writes "Storage Fees" to the left of the entry space. He does not have to use Form 3903F.

Item 6, Mary's and the children's travel expenses to London include the cost of their meals and lodging in the Washington area on June 14, the day their things were moved out of their home. It also includes the cost of their meals and lodging in London on June 15, the day they arrived. Items 2 and 6 are added together and entered on line 2, Form 3903F.

Mark's employer took out income tax on $7,682, the difference between the $23,166 reimbursement and Mark's deductible moving expenses of $15,484. His employer could have included the $23,166 in the *Wages, tips, other compensation* box on Mark's Form W–2 but he gave Mark a separate Form W–2 for the $23,166. His employer did not take out social security tax because Mark had already earned $39,600, which is the limit for paying social security tax for 1985.

Mark's employer gave him Form 4782 for the amount reimbursed. His Form 4782 is not shown.

Form **4782**
(Rev. March 1985)
Department of the Treasury
Internal Revenue Service

Employee Moving Expense Information

Payments made during the calendar year 19 .....

OMB No. 1545-0182
Expires 3-31-88

Do not file.
Keep for your records.

Name of employee: TOM SMITH

Social security number: 000 00 0000

Moving Expense Payments

Type of expense	a. Amount paid to employee	b. Amount paid to a third party for employee's benefit and value of services furnished in-kind	c. Total (Add columns a. and b.)
1 Transportation expenses in moving household goods and personal effects (including storage expenses for a foreign move)	8,000		8,000
2 Travel, meal, and lodging expenses in moving from old to new residence	763		763
3 Pre-move travel, meal, and lodging expenses in looking for a new residence after obtaining employment	495		495
4 Temporary living expenses in new location or area during any 30 days in a row after obtaining employment (90 days in a row for a foreign move)	1,380		1,380
5 Qualified expenses of selling, buying, or leasing a residence	3,500		3,500
6 All other payments (specify) REIMBURSED LOSS ON SALE OF HOME	1,500		1,500
7 Total moving expense payments. Add lines 1 through 6 ▶			15,638

Form **3903**

Department of the Treasury
Internal Revenue Service

Moving Expense Adjustment

▶ Attach to Form 1040.

OMB No. 1545-0062

1985

62

Name(s) as shown on Form 1040: Tom and Peggy Smith

Your social security number: 000 00 0000

a	Enter the number of miles from your **old** residence to your **new** work place	a	2,200
b	Enter the number of miles from your **old** residence to your **old** work place	b	5
c	Subtract line **b** from line **a**. Enter the result (but not less than zero) ▶	c	2,195

If line **c** is 35 or more miles, complete the rest of this form. If line **c** is less than 35 miles, you may not take a deduction for moving expenses. This rule does not apply to members of the armed forces.

1	Transportation expenses in moving household goods and personal effects					1	8,000
2	Travel, meal, and lodging expenses in moving from old to new residence					2	763
3	Pre-move travel, meal, and lodging expenses in looking for a new residence after getting your job	3	495				
4	Temporary living expenses in new location or area during any 30 days in a row after getting your job	4	1,380				
5	Add lines 3 and 4	5	1,875				
6	Enter the smaller of line 5 or $1,500 ($750 if married, filing a separate return, and, at the end of the tax year, you lived with your spouse who also started work during the tax year)			6	1,500		
7	Expenses of (check one): a ☒ selling or exchanging your old residence; or b ☐ if renting, settling an unexpired lease on your old residence			7	3,500		
8	Expenses of (check one): a ☐ buying your new residence; or b ☐ if renting, getting a lease on your new residence			8	-0-		
9	Add lines 6, 7, and 8			9	5,000		
10	Enter the smaller of line 9 or $3,000 ($1,500 if married, filing a separate return, and, at the end of the tax year, you lived with your spouse who also started work during the tax year)					10	3,000

Note: *Use any amount on line **7a** not deducted because of the $3,000 (or $1,500) limit to decrease the gain on the sale of your residence. Use any amount on line **8a** not deducted because of the limit to increase the basis of your new residence. See **No Double Benefit** in the instructions.*

11	Add lines 1, 2, and 10. This is your moving expense deduction. Enter here and on Form 1040, line 24. **(Note:** *If your employer paid for any part of your move (including the value of any services furnished in kind), report that amount on **Form 1040, line 7**. See **Reimbursements** in the instructions.)* ▶	11	11,763

Form **3903F**

Department of the Treasury
Internal Revenue Service

Foreign Moving Expense Adjustment

▶ Attach to Form 1040.

OMB No. 1545-0062

1985

63

Name(s) as shown on Form 1040: Mark and Mary Green

Your social security number: 000 00 0000

a City and country in which your old work place was located ▶ Washington, U.S.A.

b City and country in which your new work place is located ▶ London, England

1	Transportation and storage expenses for household goods and personal effects				1	8,100
2	Travel, meal, and lodging expenses in moving from old to new residence				2	1,384
3	Pre-move travel, meal, and lodging expenses in looking for a new residence after getting your job	3	-0-			
4	Temporary living expenses in new location or area during any 90 days in a row after getting your job	4	5,832			
5	Add lines 3 and 4	5	5,832			
6	Enter the smaller of line 5 or $4,500 ($2,250 if married, filing a separate return, and, at the end of the tax year, you lived with your spouse who also started work during the tax year)			6	4,500	
7	Expenses of (check one): a ☒ selling or exchanging your old residence; or b ☐ if renting, settling an unexpired lease on your old residence			7	7,850	
8	Expenses of (check one): a ☐ buying your new residence; or b ☐ if renting, getting a lease on your new residence			8	-0-	
9	Add lines 6, 7, and 8			9	12,350	
10	Enter the smaller of line 9 or $6,000 ($3,000 if married, filing a separate return, and, at the end of the tax year, you lived with your spouse who also started work during the tax year)				10	6,000

Note: *Use any amount on line **7a** not deducted because of the $6,000 (or $3,000) limit to decrease the gain on the sale of your residence. Use any amount on line **8a** not deducted because of the limit to increase the basis of your new residence. See **No Double Benefit** in the instructions.*

11 Add lines 1, 2, and 10. This is your moving expense deduction. Enter here and on Form 1040, line 24. **(Note:** *If your employer paid for any part of your move (including the value of any services furnished in kind), report that amount on **Form 1040, line 7.** See **Reimbursements** in the instructions.)* ▶ 11 15,484

How to Get IRS Forms and Publications

You can order federal tax forms and publications from the IRS Forms Distribution Center for your state at the address below. Use the order blank at the bottom of this page. Or, if you prefer, you can photocopy tax forms from reproducible copies kept at many participating public libraries. In addition, many of these libraries have reference sets of IRS publications which you can also read or copy—on the spot.

Alabama—Caller No. 848, Atlanta, GA 30370

Alaska—P.O. Box 12626, Fresno, CA 93778

Arizona—P.O. Box 2924, Austin, TX 78769

Arkansas—Caller No. 848, Atlanta, GA 30370

California—P.O. Box 12626, Fresno, CA 93778

Colorado—P.O. Box 2924, Austin, TX 78769

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Massachusetts—P.O. Box 25866, Richmond, VA 23260

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